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No. 04-196

In the Supreme Court of the United States

Dr. Harry Gaus,

Petitioner,

v.

Conair Corporation,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITIONER'S REPLY BRIEF

Susan L. Williams
Robert H. Eichenberger
FROST BROWN
TODD LLC
400 West Market Street
Suite 3200
Louisville, KY 40202-3363
(502) 589-5400

Alan M. Anderson
Counsel of Record
Laura J. Borst
FULBRIGHT &
JAWORSKI L.L.P.
2100 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2112
(612) 321-2800

Counsel for Petitioner
Dr. Harry Gaus

2004 – Bachman Legal Printing ■ (612) 339-9518 ■ 1-800-715-3582 ■ Fax (612) 337-8053

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS..... i

TABLE OF AUTHORITIES..... ii

INTRODUCTON..... 1

ARGUMENT..... 1

I. The Federal Circuit Improperly Construed The Claim Terms Of The Gaus Patent In Violation Of This Court's Precedents..... 1

II. This Court Should Provide Guidance To The Federal Circuit Regarding Claim Construction Methodology... 5

III. A Grant Of *Certiorari*, Vacation Of The Judgment, And Remand To The Federal Circuit Is Proper In Light Of The Impending Decision In *Phillips*..... 7

CONCLUSION..... 10

TABLE OF AUTHORITIES

Cases **Page(s)**

Alabama v. Ritter, 454 U.S. 885 (1981)..... 9

General Elec. Co. v. Wabash Appliance Corp., 304 U.S. 364 (1938)..... 3-4

Howe Machine v. National Needle, 134 U.S. 388 (1890)..... 3

Inverness Med. Switz. GmbH v. Princeton Biomeditech Corp., 309 F.3d 1365 (Fed. Cir. 2002)..... 3

Lawrence v. Chater, 516 U.S. 163 (1996)..... 7

Liebel-Flarsheim Co. v. Medrad, Inc., 358 F.3d 898 (Fed. Cir. 2004)..... 6

Markman v. Westview Instr., Inc., 517 U.S. 370 (1996)..... 3

McCarty v. Lehigh Valley R.R., 160 U.S. 110 (1895)..... 3

Microsoft Corp. v. Multi-Tech Sys., 357 F.3d 1340 (Fed. Cir. 2004)..... 5, 6

Phillips v. AWH Corp, 376 F.3d 1382 (Fed. Cir. 2004)..... *passim*

Prima Tek II, L.L.C. v. Polypap, S.A.R.L., 318 F.3d 1143 (Fed. Cir. 2003)..... 5

SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., 242 F.3d 1337 (Fed. Cir. 2001)..... 6, 9

Smith v. Snow, 294 U.S. 1 (1935)..... 3

White v. Dunbar, 119 U.S. 47 (1886)..... 4

INTRODUCTION

Pursuant to Supreme Court Rule 15.6, Petitioner Dr. Harry Gaus ("Dr. Gaus") submits this reply brief in support of his petition for a writ of certiorari, and in response to the opposition brief of Respondent Conair Corporation ("Conair").

ARGUMENT

I. The Federal Circuit Improperly Construed The Claim Terms Of The Gaus Patent In Violation Of This Court's Precedents.

Conair's Brief in Opposition to Gaus's Petition for Writ of Certiorari ("Conair Opp.") confirms that the Federal Circuit improperly construed the patent claims by departing from the plain and ordinary meaning of the claim language and importing limitations from the specification. Conair contends that this is a "routine patent infringement case." However, the case is far from "routine," because the decision from the Federal Circuit has departed so far from the principles of stare decisis as to require an exercise of this Court's supervisory power. What Conair and the Federal Circuit failed to do, and cannot do, is establish that the plain and ordinary meaning of the claim language *requires* "pair" and "electrical operating unit" to be functionally separate.

Conair devotes the majority of its argument claiming that the focus on "pair" as a term is improper; that it must be construed as "pair of spaced-apart probes." Conair Opp. at 4, 7, 11, 15. At no time has Dr. Gaus contended that "pair" must be construed in isolation. Importantly, interpreting the broad meaning of "pair" in the context of the claim language does not limit its meaning. If the word "pair" is given its plain and ordinary meaning as part of the claim language, it is not required to be separate from the electrical operating device. This is illustrated by the district court's proper claim

construction methodology. The district court construed "pair" by looking to the entire phrase "a pair of spaced-apart electrically exposed conductive probe networks," and consulted a dictionary to determine the ordinary meaning:

> First, what constitutes a "pair of spaced-apart electrically exposed conductive probe networks" may indeed mean "two corresponding things designed for use together" as Conair suggests. It could also mean, however, "a single thing made up of two corresponding parts that are used together [*a pair of pants*]." Webster's New World Dictionary, 3d College Edition (1988). The Gaus Patent specifically states that the "object of the invention . . . is achieved . . . by a combination of components having [inter alia] . . . a probe at the boundaries of the housing openings and housing gaps, in the form of an open i.e., exposed electrical double conductor". Gaus Patent, Summary of the Invention, Column 3, lines 1-5 (emphasis supplied). The term "pair", therefore, cannot be limited as narrowly as Conair suggests.

A67.

In direct contradiction of precedent, the Federal Circuit did not consult a dictionary and simply concluded that "the clear implication of the claim language" is that the "pair" is a "distinct component, separate from the electrical operating unit of the claimed invention." A 7-8. No claim construction methodology allows unsupported construction by "implication." Moreover, merely because the claim lists both "pair" and "electrical operating unit," the panel imported the structural requirement that "pair" must be separate and

independent from the "electrical operating unit." *Id.*[1] However, the claim language does not recite an electrical operating unit and a *separate* pair of spaced-apart probes. A93. The only way to arrive at such a distorted conclusion is to improperly import limitations from the specification, adding and changing the meaning of the claim terms.[2] This directly conflicts with this Court's and Federal Circuit precedent. *See, e.g., Smith v. Snow*, 294 U.S. 1, 11-12 (1935); *McCarty v. Lehigh Valley R.R.*, 160 U.S. 110, 116 (1895); *Howe Machine v. National Needle*, 134 U.S. 388, 394 (1890) (the specification and drawings are looked at for better understanding of the claims, not for the purpose of changing it, or making it different than it is).[3]

Conair conveniently fails to address the long history of precedents in this Court that emphasize the importance of claim language. *See e.g., Markman v. Westview Instr., Inc.*, 517 U.S. 370, 373 (1996); *General Elec. Co. v. Wabash*

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[1] Just because terms are separately recited in a claim, does not mean one excludes the other. *See Inverness Med. Switz. GmbH v. Princeton Biomeditech Corp.*, 309 F.3d 1365, 1371 (Fed. Cir. 2002).

[2] Conair's argument that claim 12 language recites a functional independence between the pair and operating unit because "only a decrease in the impedance between the two probes of the pair of probes triggers the protection circuit that disconnects power" is incorrect. Conair Opp. at 5. The word "only" in claim 12 mandates that it is a low impedance condition (not some other condition) that excites the gate input. This is evident by its placement in claim 12 immediately before "low impedance." It does not, as Conair argues, mandate which structure performs the low impedance – this would hold true only if the word "only" were placed immediately before "between."

[3] Conair fails to address any of these decisions, merely citing cases for the general proposition that "claims must be read in light of the specification." Conair Opp. at 12. The cases cited by Conair are inapposite. Here, the Federal Circuit went beyond reading the claims in light of the specification and improperly used the specification to add a new term to the claim – "separate."

Appliance Corp., 304 U.S. 364, 369 (1938); *White v. Dunbar*, 119 U.S. 47, 52 (1886). The purpose of claims is to define an invention and provide notice to the public. The Federal Circuit's opinion in this case disregards this well established principle by essentially adding the term "separate" to the claim language. A7-8, 93. Because claims measure an invention, the Federal Circuit should not be allowed to add language not included by an inventor. Ignoring this Court's precedents does not magically make the decision of the Federal Circuit proper.

Conair claims that the specification describing one of the objects of the invention supports a separate pair of probes and electrical operating unit. Conair Opp. at 9. However, this argument merely highlights the flawed claim construction arrived at by the panel. The panel seized upon the excerpt that one object was to operate "independently of the operating state of the apparatus." *Id.*; A10. With no citation to the record or to any argument by either party, the panel evidently performed its own circuit analysis and erroneously concluded that a fundamental difference exists between the Conair devices and the patented invention. Specifically, the panel believed that this "operating state" excerpt meant that the invention could not encompass Conair's devices because such a device would be triggered "only when the hair dryer was operating and voltage was being applied to the electrical operating system [*sic*]." A10. The undeniable scientific fact is that so long as the device is plugged in, voltage is still present in the electrical operating unit (the line side of the power switch) regardless whether the switch is in the "off" or the "on" position. This is true in both the patented invention and Conair's devices because in both cases a sense element is connected to a line wire.[4]

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[4] Just like the Conair devices, one part of the "pair" of the Gaus invention has line voltage on it when the device is not immersed in water. A75 (Fig. 1).

The panel's opinion also is inconsistent with the Federal Circuit's case law requiring a clear and unambiguous disclaimer. Conair's contention that Dr. Gaus made a "clear" disavowal of claim scope is meritless. Without pointing to a single statement that expressly showed a clear intent to disavow subject matter, the panel inferred a disclaimer from a few excerpts regarding particular embodiments. For example, the excerpt stating that the "electrical double conductor of the probe should be configured . . . " (A9), was taken from the Description of the Preferred Embodiments. It refers only to one embodiment and specifically uses the permissive language "should" rather than the mandatory language "must." A89. Use of such permissive language does not justify importing a limitation into the claim. *See Prima Tek II, L.L.C. v. Polypap, S.A.R.L.*, 318 F.3d 1143, 1151 (Fed. Cir. 2003). This inconsistency is similar to *Microsoft Corp. v. Multi-Tech Sys.*, 357 F.3d 1340, 1356 (Fed. Cir. 2004) (Rader, J., dissenting), where Judge Rader noted in his dissent, "this court's conclusion significantly erodes the requirement that a disclaimer of subject matter must be clear and unambiguous."

II. This Court Should Provide Guidance To The Federal Circuit Regarding Claim Construction Methodology.

Conair's hollow assertion that claim construction methodology is well settled is belied by the recent grant of *en banc* rehearing in *Phillips v. AWH Corp.*, 376 F.3d 1382, 1383 (Fed. Cir. 2004). The *en banc* court will address the role of dictionaries and the specification in determining the meaning of claims. *Id.* Federal Circuit judges have recognized the lack of guidance on the role of the specification during claim construction. As asserted by Circuit Judge Dyk, "our decisions provide inadequate guidance as to when it is appropriate to look to the specification to narrow the claim by interpretation and when

it is not appropriate to do so. Until we provide better guidance, I fear that the lower courts and litigants will remain confused." *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys.*, 242 F.3d 1337, 1347 (Fed. Cir. 2001) (Dyk, J., concurring).

Moreover, this case exemplifies the lack of consistency in Federal Circuit claim construction methodology Here, the panel imported a requirement that the "pair" must be separate and independent from the "electrical operating unit" of the invention. A8. This decision is in direct conflict with *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898 (Fed. Cir. 2004), a case with similar facts, but with the opposite outcome. In that case, the Federal Circuit specifically and properly rejected the district court's limitation of the claims based upon the common specification. *Id.* at 901. Here, the Federal Circuit rejected the plain and ordinary meaning of the claims, improperly importing the word "separate" into the claim language merely based upon select portions of the specification. A7-12, 93. As Circuit Judge Rader stated, this went "beyond merely importing a limitation form the specification into the claims" it imported an "unstated limitation into the claims." *Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d at 1355 (Rader, J., dissenting).

Consequently, far from being a "routine patent case," this case demonstrates the uncertainty and inconsistency arising from the Federal Circuit's case law on claim construction, providing little guidance to district courts, practitioners, patentees, and the public on how to construe claims properly. As stated by Chief Judge Mayer in his *Phillips* dissent, "because I am convinced that shuffling our current precedent merely continues a charade, I dissent from the *en banc* order." This Court should utilize its supervisory power and grant Dr. Gaus' petition to provide guidance and clarify the rules of claim construction for the Federal Circuit, district courts, practitioners, and the public.

III. A Grant Of *Certiorari*, Vacation Of The Judgment, And Remand To The Federal Circuit Is Proper In Light Of The Impending Decision In *Phillips*.

This case plainly meets the Court's standard for granting GVR because relevant intervening post-appeal events have the potential to change the outcome of this litigation. The "reasonable standard" applied in assessing whether to enter a GVR occurs "where intervening developments, or recent developments that we have reason to believe the court below did not fully consider" reveal a reasonable probability that the decision below would be rejected. *Lawrence v. Chater*, 516 U.S. 163, 167 (1996). Here, there is no question that the Federal Circuit could not fully consider the ultimate decision in *Phillips* because it has not been determined.[5]

Additionally, the decision in *Phillips* will likely "determine the ultimate outcome of the litigation." *Id.* The issues raised for consideration *en banc* include whether the specification can limit the full scope of the plain and ordinary meaning of claim language, and whether it is appropriate to give deference to district court claim construction rulings. *Phillips v. AWH Corp.*, 376 F.3d at 1383. The determination of these issues will directly affect the result in this case because the Federal Circuit completely based its reversal of an almost $50 million dollar judgment by ignoring the dictionary definition of "pair," and improperly importing a limitation from the specification without a clear disclaimer of claim scope. A2-3, 7-14. The Federal Circuit *en banc* will squarely address the propriety of the panel's methodology (or

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[5] Conair's argument that one can only speculate as to the rehearing decision is irrelevant. Conair Opp. at 16, 17. As it points out in its brief, one of the categories that warrant a GVR include "proposed changes in state agency policies" – clearly a proposed change has not occurred, and would be subject to speculation – by Conair's flawed logic: not proper for GVR.

lack thereof): "If dictionaries should serve as the primary source for claim interpretation, should the specification limit the full scope of claim language (as defined by the dictionaries) only when the patentee has acted as his own lexicographer or when the specification reflects a clear disclaimer of claim scope? If so, what language in the specification will satisfy those conditions?" *Phillips v. AWH Corp.*, 376 F.3d at 1383.

Moreover, Conair's claim that every patent case decided by the Federal Circuit last term would have to be sent back is unfounded.[6] First, very few cases before the Federal Circuit are similar in that they relate specifically to the legal issues to be decided by *Phillips*. Here, the Federal Circuit ignored the district court's proper use of the dictionary in construing the term "pair" and limited the full scope of the plain and ordinary meaning of the claim language by importing a limitation from the specification. Gaus Pet. at 7-10. Both of these issues will be considered by the *en banc* court. *Phillips v. AWH Corp.* 376 F.3d at 1383. Second, in contrast to this case, the Federal Circuit properly applies this Court and its precedents in most cases, and such cases are not proper for a GVR. This case should not be precluded from rehearing and possible restatement of the jury verdict because of unfounded speculation that other patent cases will be eligible for a GVR.

Although no case specifically addresses the issue of a GVR after a Federal Circuit grant of *en banc* review, Conair's own brief lists many categories that are proper for a GVR order that are exactly like the instant situation. Conair Opp. at 15, n.12. "[P]roposed changes in state agency policies, changes in position by the Solicitor General or a state attorney

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[6] Currently, including Dr. Gaus's petition, only three cases pending before this Court claim to be related to the issues in *Phillips*. *See Medrad, Inc.* v. *Liebel-Flarsheim Co.*, No. 04-32; *Multi-Tech Sys., Inc. v. Microsoft Corp.*, No. 03-1719.

or solicitor general, new local federal appellate procedures, ongoing district court proceedings and the introduction of new contentions on appeal." *Id.* The *Phillips* case is going to create a change in the methodology of claim construction by the Federal Circuit in order to establish the uniformity and certainty it now lacks. *Phillips v. AWH Corp.*, 376 F.3d 1382; *see SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys.*, 242 F.3d at 1347 (Dyk, J., concurring). Because it will establish new precedent regarding claim construction methodology, specifically the interplay between dictionary definitions and claim specifications, a GVR is proper. *See Alabama v. Ritter*, 454 U.S. 885 (1981) (remand in light of intervening state court decision).

Contrary to Conair's assertion that a GVR would waste judicial resources, a GVR preserves this Court's resources. Rather than requiring this Court to hear and decide the case, it provides an opportunity to remand Dr. Gaus' case to be properly considered by the Federal Circuit in light of the new precedent created by *Phillips*. Moreover, the equities favor Dr. Gaus. He has been defending his invention and patent for a long and difficult 10 years, during which time he received a jury verdict in his favor. This case should not be precluded from rehearing and possible reinstatement of the jury verdict merely because his case was decided one week prior to *Phillips*. Fairness requires a GVR. It would be unreasonable and unjust to deny Dr. Gaus, after 10 years of fighting for his patent, the opportunity to have his case reconsidered in light of the forthcoming precedent of the Federal Circuit merely because of the passage of seven short days.

CONCLUSION

For the foregoing reasons and those stated in his petition, Dr. Gaus requests that the Court grant his petition for a writ of certiorari.

Dated: September 17, 2004.

Susan L. Williams
Robert H. Eichenberger
FROST BROWN
TODD LLC
400 W. Market Street
32nd Floor
Louisville, KY 40202-3363
Phone: (502) 589-5400
Fax: (502) 581-1087

Alan M. Anderson
Counsel of Record
Laura J. Borst
FULBRIGHT &
JAWORSKI L.L.P.
2100 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2112
Phone: (612) 321-2800
Fax: (612) 321-9600

Attorneys for Petitioner
DR. HARRY GAUS